

OIL SANDS MEDIA MONITORING REPORT

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CanadaWest
FOUNDATION

Our Vision
A dynamic and prosperous West in a strong Canada.

Our Mission
A leading source of strategic insight, conducting and communicating non-partisan economic and public policy research of importance to the four western provinces and all Canadians.

December 21, 2009

Overview

A sharp drop in environmental coverage in all categories resulted in less overall coverage of the oil sands in November. In the Canadian media, there were significantly fewer negative and neutral oil sands stories and a slight uptick in positive stories, while in web media positive and neutral stories were down by a wide margin with only a small decrease in negative stories. Only in the international media was there an increase in negative environmental stories.

Economic coverage of the oil sands was up slightly in November. The Canadian, international and web media all had increases in positive and neutral coverage, with decreases in negative coverage. Negative economic coverage was close to non-existent in November: between the Canadian, international and web media there were only seven negative economic stories.

Methodology

The media monitoring process used for this report made use of the Google search engine's Google Alerts feature. Each day, the Google engine searched the internet for related stories and delivered the hits in an email. Three search terms were used to guide the internet searches: "oil sands," "oilsands" and "tar sands." The vast majority of sites criticising the oil sands use the more pejorative term "tar sands," so in order to receive a more complete snapshot of public opinion the term was included in the search. Also included in the search was the French term for oil sands, "sables bitumineux," in order to bring in stories from the French language media.

This process brought in several hundred items: once re-posts and stories not connected or only peripherally connected to the oil sands were weeded out, there remained a total of 296 stories over the course of November 2009. These stories were gathered from blogs, environmental and economic websites and media outlets reaching audiences around Canada and the world.

The stories were analyzed and broken into two categories: environmental and economic. Stories that portrayed the oil sands in a positive light through their contribution to the Canadian economy, value to energy security or advances in efficiency, or stories in which corporations and governments defend the development of the oil sands were classified as "positive." Stories whose focus was on the costs of oil sands development such as carbon emissions, water use, job loss or falling stock prices, or stories that called attention to such costs without also presenting the benefits of the oil sands were classified as "negative." Stories that discussed the oil sands without comment on their costs or benefits, or which discussed both equally, were classified as "neutral."

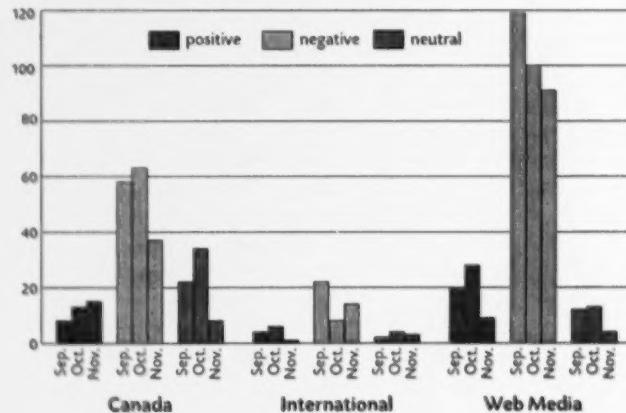
A few key stories did emerge, but no story in November received coverage on par with Greenpeace's break-in protests from September and October. Al Gore reentered the oil sands debate, leading to a predictable surge in environmental coverage. While Greenpeace moved their oil sands protests to France, they released a new video which received a fair amount of play online. In economic news, the biggest story was Suncor's relaunching of its Firebag project, which helped drive positive oil sands stories.

Key Stories

As the United Nations Conference on Climate Change in Copenhagen began to draw near, more and more attention became focussed on the oil sands and the carbon emissions involved in extracting and developing them. In November, Al Gore re-entered the debate, stating that the oil sands "threaten our survival as a species," and claiming that gasoline made from oil sands bitumen would give an electric hybrid car the same carbon footprint as an sports utility vehicle.

While online coverage of the former Vice-President's comments mostly supported his claims, with six stories reporting or cheering on his statement and only two arguing against it, reactions in the Canadian media were far more evenly split. Gore's speech was discussed by 13 Canadian outlets, including both CBC and CTV news. Of these, six stories reported Gore's points against

Environmental stories (September-November 2009)



the oil sands while seven ran reactions or criticisms of those comments. Four newspapers ran responses from Alberta Premier Ed Stelmach and his government to Gore's claims, questioning his science and stating that while the carbon footprint of the oil industry does need to be reduced, Albertans must defend their resource from those who wish to simply shut it down.

Other critics of Gore questioned how true his points against the oil sands were, particularly his claim about what oil sands gasoline would do to a car's carbon footprint. Critics stated that gasoline from the oil sands would have a similar carbon footprint to that from other crudes imported to the United States, and lower than from some American sources. One critic also questioned the credibility of Gore's attacks on a Canadian industry as the oil sands account for one tenth of one percent of global carbon emissions, far less than coal-fired electricity and car exhaust from the US.

Al Gore's comments were not covered by the international media.

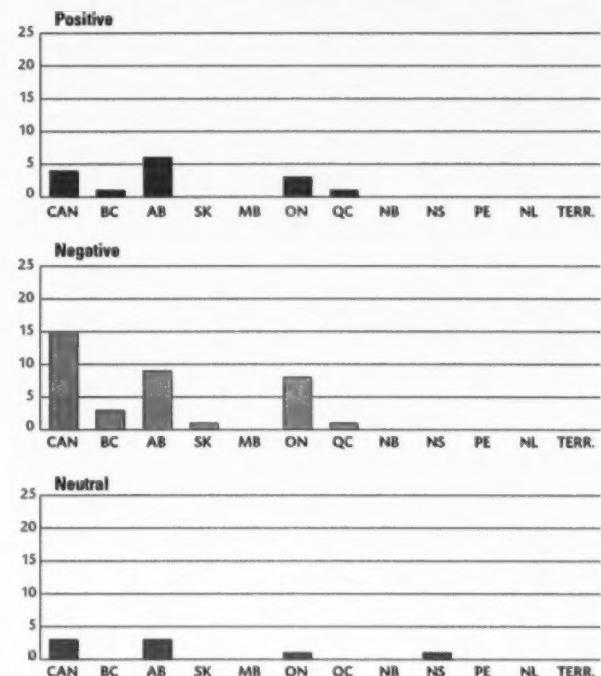
The largest economic story in November was Suncor's relaunching of its Firebag project, which Suncor acquired in its takeover of Petro-Canada earlier in the year. Firebag is expected to create 3,000 jobs. In addition, Suncor is devoting \$1.5 billion to oil sands growth. This investment, combined with Firebag, was seen in the national, international and web media as a clear sign of economic recovery in the oil industry. The relaunch of Firebag and the investment were covered four times internationally, five times on the web and in eight Canadian outlets.

Environmental

Protests remain a large source of negative environmental oil sands stories, particularly online. While in September and October the big story was protests by Greenpeace, in November it shifted to a series of protests in England aimed at the Royal Bank of Scotland. The protests were part of a movement trying to pressure the RBS into ceasing its financing of the oil sands, pressure that is coming not only from student protesters in the United Kingdom but from a trio of First Nations women from Canada, who were in the UK raising awareness about the effect of the oil sands on their lands and lifestyle.

Greenpeace's protests against the oil sands continued, but their venue has shifted. After performing a series of protests involving breaking into oil sands sites in Alberta, in November Greenpeace focussed its efforts on the French company Total, breaking into Total facilities in France and draping anti-oil sands banners. Greenpeace protested Total's involvement in the oil sands in

Environmental stories by province (November 2009)



seven cities in France, in one case distributing a quiz on the oil sands' environmental impact to Total employees.

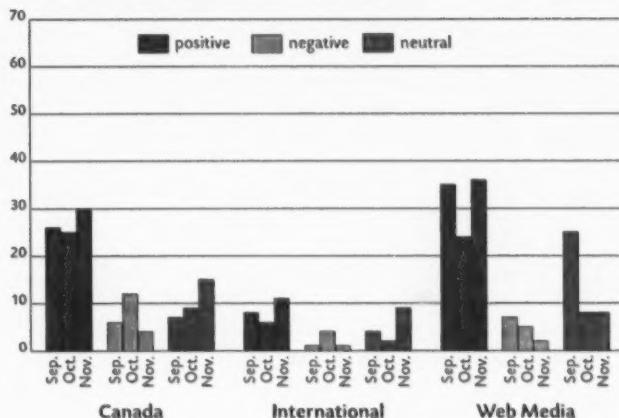
While Greenpeace's protests in France were only covered once in the international media and four times online, they had more success spreading their anti-oil sands message with a video called "The Tar Sands Blow." This video appears on nine different web sites including YouTube, where it has received over 20,000 views.

Seven environmental groups, including the Pembina Institute, Sierra Club of Canada and Water Matters Society of Alberta released a report accusing the federal government of not doing all that it can or all that it should to protect water sources in Alberta. Released on November 23, *Watered Down: Overcoming Federal Inaction on the Impact of Oilsands Development to Water Resources* was covered in six different Canadian outlets and twice online. Only one of these stories, an article in the November 25 Calgary Herald, criticized the findings of the report.

The oil sands documentary H2Oil continued to play in festivals across Canada. As well, animations from the film were posted on several websites. All together, there were three reviews of H2Oil in Canadian media and eight stories on the film or postings of its



Economic stories (September-November 2009)



animations online. Due to H2Oil's negative view of the oil sands, all stories on it were considered negative.

While environmental oil sands stories were, as usual, primarily negative, there were some positive stories in November. Most notable was a new development in an ongoing story on a possible link between the oil sands and rare cancers. Doctor John O'Connor had previously written reports and testified to Parliament about his claim that a First Nations village downstream of oil sand developments on the Athabasca River was showing unusually high rates of a rare bile duct cancer, and his belief that water contamination from oil sands development must be to blame. However, in November, after a three-year review of his findings, the College of Physicians and Surgeons found that Dr. O'Connor had made inaccurate statements and blocked efforts by Health Canada and the Alberta Cancer Board to verify his findings.

The review could not verify Dr. O'Connor's claims regarding cancer rates. While he claimed to have diagnosed 12 cases of colon cancer, only six were confirmed. Only two cases of the rare cancer were confirmed, where Dr. O'Connor had claimed three to five. The College also stated that despite a legal and ethical obligation to provide evidence of all his suspected cancer cases, he failed to do so.

Dr. O'Connor has denied all claims of obstruction, and is facing no penalties or sanctions as a result of the College's report. However, this incident has cast doubt on Dr. O'Connor's claims of a link between the oil sands and cancer, as the College found that the cancer rates of the village could be explained by random chance, and were not necessarily proof of water contamination. This story was covered five times in four Canadian newspapers, including the Globe and Mail and National Post, and three times in web media.

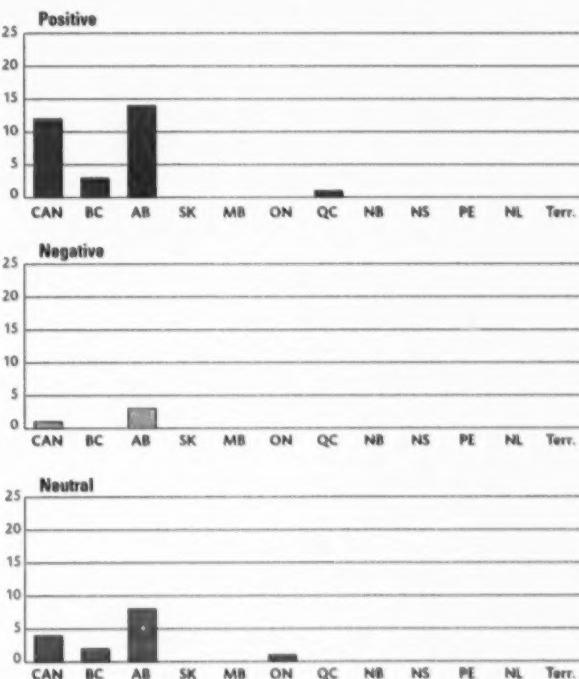
Two advances in technology were announced in November that could prove useful to reducing the oil sands' environmental footprint. Advanced Clean Technologies has developed a new chemical process for extracting bitumen from the sand that provides a greater yield while being more energy efficient and environmentally friendly. With a higher rate of extraction than conventional means, less energy use and less environmental damage, this process could potentially be both an economic and environmental boon to oil sands companies. The process has been successfully tested on oil sands samples from both Alberta and Utah.

Also coming out of Utah is a new filtration process for extracting hydrocarbons from water. Developed at the University of Utah, the process involves pressurizing and depressurizing ozone gas, creating tiny bubbles which separate hydrocarbons from water. This inexpensive process could be used to clean pollutants from water used in oil sands production, as well as cleaning up oil sands tailings ponds.

Economic

The economic oil sands news was overwhelmingly positive in November, with 77 positive stories as compared to 32 neutral stories and only seven negative stories.

Economic stories by province (November 2009)



The general consensus in economic coverage is that oil sands recovery has begun. In addition to the 17 stories on Firebag, there were six pieces in Canadian outlets and five on web media discussing recovery in the oil sands, and each of the 11 was a separate story discussing economic recovery. In addition, there were four stories (two in Canadian outlets, two online) on Shell's purchase of 16 new trucks for their oil sands projects, which, like the relaunch of Firebag, was seen as a sign of recovery and new development.

The greatest source of neutral economic oil sands stories in the international media, as well as the only negative economic story, came from South Dakota. Dan Gunderson, a communications specialist with the American Petroleum Institute, identified South Dakota as a potential battleground state in the debate over whether to import oil from the oil sands, due to its likelihood of becoming a home to oil sands pipelines and refineries. This story was discussed in six US outlets.

What few negative stories there were in the Canadian media dealt with firms still working to overcome the effects of the economic downturn. These include Total, which requires a 40% drop in costs before it is willing to begin new oil sands projects, and Canadian Natural Resource's Horizon Project, which continues to struggle with labour and equipment shortages from the rapid expansion of 2007. One story also predicted that the oil sands will suffer a great blow when the fleet of electric cars hits critical mass, greatly dropping the demand for oil.

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